REMARKS

Applicant respectfully requests reconsideration of the present application in view of the reasons that follow.

The Claims Are Patentable Over Clancy In View Of Aaron

The Office Action rejected claims 1-5, 7-8 and 11 under 35 U.S.C. § 103(a) over, US Pat No. 2,474,304 ("Clancy") in view of US Pat. No. 5,085,058 ("Aaron"). Reconsideration of the rejection is respectfully requested.

Clancy essentially describes a circuit having two sets of two primary exchangers in AC and heating operation. The Office states that heat exchanger 10 of Clancy (shown in Fig. 1) is an "inner heat exchanger" as recited in claim 1. Applicant notes that the reference numeral 10 in Clancy denotes fins (*see* Clancy, col. 2, Il. 72-74) which are also labeled 10 in heat exchangers 13 and 14. However, Applicant assumes that the Office intends to reference heat exchanger 19, since heat exchangers 13 and 14 already correspond, according to the Office, with the first and second heat exchangers of claim 1.

The heat exchanger 19 of Clancy is a heat exchanger between refrigerant in circuit 15 and air 35. It is thus not an "inner heat exchanger" (i.e. a heat exchanger between two heating/cooling circuits). Clancy does not teach or suggest the use of an inner heat exchanger. Claim 1 further specifies that the "inner heat exchanger" is configured to be deactivated by a valve during heat pump operation. In Clancy, however, heat exchanger 19 is active during heat pump operation. See Clancy, col. 6, II. 70-72.

Moreover, there would have been no reasonable expectation of success in modifying Clancy to use the teachings of Aaron. The Office maintains that expansion elements 24 of Clancy can be replaced with the bi-flow expansion device of Aaron. Such an undertaking would be doomed to failure, however, because flow in Clancy through each element 24 is always in the same respective direction (see flow arrows in Fig. 1) When flow is reversed, a different portion of the circuit having an oppositely-oriented element 24 is used. Thus, Clancy would require a substantial modification in order to arrive at the subject matter of

claim 1 based on Aaron. This modification is not inherently known by a person of ordinary skill in the art, nor taught by Aaron.

The remaining claims are dependent on claim 1 and thus patentable for at least the same reasons.

CONCLUSION

Applicant believes that the present application is now in condition for allowance. Favorable reconsideration of the application as amended is respectfully requested.

The Examiner is invited to contact the undersigned by telephone if it is felt that a telephone interview would advance the prosecution of the present application.

The Commissioner is hereby authorized to charge any additional fees which may be required regarding this application under 37 C.F.R. §§ 1.16-1.17, or credit any overpayment, to Deposit Account No. 19-0741. Should no proper payment be enclosed herewith, as by a check being in the wrong amount, unsigned, post-dated, otherwise improper or informal or even entirely missing or a credit card payment form being unsigned, providing incorrect information resulting in a rejected credit card transaction, or even entirely missing, the Commissioner is authorized to charge the unpaid amount to Deposit Account No. 19-0741.

If any extensions of time are needed for timely acceptance of papers submitted herewith, Applicant hereby petitions for such extension under 37 C.F.R. §1.136 and authorizes payment of any such extensions fees to Deposit Account No. 19-0741.

Respectfully submitted,

Date 2/5/09

FOLEY & LARDNER LLP Customer Number: 22428

Telephone: (202) 672-5540 Facsimile: (202) 672-5399 Paul D. Strain

Paul D. Strain Attorney for Applicant Registration No. 47,369

Matthew A. Smith Attorney for Applicant Registration No. 49,003